

NORTHERN EVANGELICAL TRUST

REPORT AND ACCOUNTS

YEAR ENDED 31ST MARCH 2006

NORTHERN EVANGELICAL TRUST

REPORT AND ACCOUNTS - 2006

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NORTHERN EVANGELICAL TRUST

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MARCH 2006

The Trustees have pleasure in presenting their report and financial statements of Northern Evangelical Trust for the year ended 31st March 2006.

Trustees

The Trustees listed below served throughout the year:

Mr B Jackson	Mrs M Jackson	Mr S Roberts
Mr G Pountain	Mr N Lawrence	

Charitable objects

The charity was established in 1986 with the object being to provide financial and other support for persons who are training to become or are already in full time pastoral and evangelical work of a Christian nature; to promote the Christian faith among school children and to work alongside ministers and elders of any Christian church in furthering the Christian faith. Thereafter the Bethany project was established with its aims of helping the most under privileged, deprived and vulnerable members of society, especially orphaned children.

Structure, Governance and Management

The trust is a registered charity, number 517995 and is constituted by Deed of Trust. The charity can be contacted at The Hope Centre, Watson Street, Oswaldtwistle, Lancashire BB5 3HH.

The procedure for the appointment of new Trustees is through consultation between the existing Trustees and the charity's supporters. When new Trustees are inducted their responsibilities are made clear to them by the existing Trustees and they are furnished with relevant booklets, etc. for their information.

Activities

The core activities of the charity now relate to the Bethany Orphanage.

Bethany started the year with 73 children and ended the year with 89. July 2005 saw the completion of the new girls' dorm designed for accommodation of 60 girls. In December 2005 it was decided to close the Clinic as one of the doctors from our Clinic had opened a clinic in the local village which was caring for the needs of the villagers and also available for our children. We decided to convert the Clinic into three classrooms, a small library, storeroom and first aid room. We also started an extension to the old Clinic to provide a toilet block. By the end of the financial year the work was well under way and has subsequently been completed. We also completely refurbished a volunteer accommodation block and office accommodation.

Overall Bethany is holding fast to its aims and objectives....."to help the most underprivileged, deprived and vulnerable members of society, especially orphaned children....."

Plans for Future Periods

Birth certificates and passports have been obtained ready for the thirty children to visit England in September – October 2006. The visit was to promote the awareness of the orphanage and to encourage our supporters.

Voluntary Help

The financial statements exclude costs for voluntary help which cannot be quantified.

Reserves and Risk Policies

Unrestricted funds are needed to ensure the continuance of the charity's work. The Trustees consider it prudent that unrestricted reserves should be sufficient:

- a) to avoid the necessity of realising fixed assets held for the charity's use;
- b) to cover four months expenditure.

At the year end unrestricted reserves were sufficient to cover this.

The level of reserves is monitored and reviewed by the Trustees on a regular basis.

NORTHERN EVANGELICAL TRUST

TRUSTEES REPORT FOR THE YEAR ENDED 31ST MARCH 2006

(Continued)

The Trustees are assessing the major risks to which the charity is exposed and will investigate systems to mitigate exposure to these risks.

Financial Review

The income, expenditure and resulting surplus for the year, and the charity's financial position at the end of the year are shown on pages 4 and 5 of the financial statements.

The charity's balance sheet at the year end showed a reasonable position.

The Trustees are satisfied that at the year end the charity is able to meet its ongoing liabilities.

The charity's balance sheet at the year-end showed a reasonable position.

We thank God for the support of all those who are faithful in their giving so that the charity's work can continue.

Signed on behalf of the Trustees on

.....
G Pountain - Trustee

**REPORT OF THE INDEPENDENT EXAMINER TO
THE TRUSTEES OF NORTHERN EVANGELICAL TRUST**

I report on the accounts of the charity for the year ended 31st March 2006 which are set out on pages 3 to 7.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts and you consider that the audit requirement of section 43(2) of the Charities Act 1993 ("the Act") does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Carlton G. Cooper, FCA

On behalf of Cassons
Chartered Accountants
St Crispin House
St Crispin Way
Haslingden
Rossendale
Lancashire
BB4 4PW

NORTHERN EVANGELICAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST MARCH 2006

	Unrestricted funds	Restricted funds	Total funds 2006	Total funds 2005
	£	£	£	£
INCOMING RESOURCES				
Donations	1,103	112,949	114,052	113,164
Clinic Income	-	1,540	1,540	2,336
Investment income – deposit interest	983	346	1,329	384
Total incoming resources	2,086	114,835	116,921	115,884
RESOURCES EXPENSES				
Charitable activities				
Wages and staff costs	-	17,124	17,124	14,897
Overseas travel costs	-	28,264	28,264	18,814
Light, heat and water	427	8,142	8,569	7,238
Food and subsistence	-	10,084	10,084	8,514
Medical supplies	-	1,177	1,177	1,956
Sundry expenses	-	311	311	-
Camp fees	-	-	-	400
Schoolswork	14,625	-	14,625	12,919
Children's trip to UK	-	-	-	3,595
Motor expenses	978	2,741	3,719	3,568
Repairs and sundry equipment	-	26,546	26,546	20,627
Rent and insurance	-	-	-	791
Depreciation	1,206	9,485	10,691	12,924
(Profit)/loss on sale of assets	(39,176)	-	(39,176)	8,389
Bad debt	-	-	-	7,950
Administration	-	2,427	2,427	1,181
	(21,940)	106,301	84,361	123,763
Governance costs				
Stamps and stationery	-	-	-	896
Sundry	274	-	274	386
	274	-	274	1,282
Total expenditure	(21,666)	106,301	84,635	125,045
Net outgoing resources for the year	23,752	8,534	32,286	(9,161)
Total funds brought forward	80,331	72,272	152,593	161,754
Total funds carried forward	104,073	80,806	184,879	152,593

NORTHERN EVANGELICAL TRUST

BALANCE SHEET

31ST MARCH 2006

	Note	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	4		35,900		110,318
Current assets					
Debtors		15,041		12,432	
Cash at bank and in hand		141,701		34,243	
		<u>156,742</u>		<u>46,675</u>	
Liabilities: amounts falling due within one year					
Creditors and accruals		7,763		4,400	
		<u>7,763</u>		<u>4,400</u>	
Net current assets			148,979		42,275
Net assets	5		<u>184,879</u>		<u>152,593</u>
			=====		=====
FUNDS					
Unrestricted Income Funds:					
General Purposes Fund			104,073		80,321
Restricted Income Funds:					
Bethany Orphanage Fund			80,806		72,272
			<u>184,879</u>		<u>152,593</u>
			=====		=====

Approved by the Board of Trustees on

and signed on its behalf by

.....
B. Jackson - Trustee

NORTHERN EVANGELICAL TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 2006

1. Accounting policies

The accounts have been prepared in accordance with the Statement of Recommended Practice - "Accounting and Reporting by Charities" - and other relevant accounting standards issued by U.K. accountancy bodies. The particular accounting policies are described below.

a) Accounting convention

The accounts are prepared under the historical cost convention.

b) Donations

- i) Donations made under deeds of covenant and gift aid, together with the associated income tax recoverable, are recognised as income when the donation is received.
- ii) Other donations received are credited to the income and expenditure account in the period they are received.

c) Tangible fixed assets

- i) Depreciation is not provided on land. On other assets it is provided in annual instalments over the estimated useful lives of the assets from the date the assets are brought into use. The rates of depreciation are as follows:

Equipment and fixtures	10% - 25% on cost
Mission Tent	7% on net book value
Computer equipment	25% on net book value
- ii) No value is attributed to donated fixed assets.

2. Expenditure

Included within expenditure for the year are the following:

	2006 £	2005 £
Staff costs – United Kingdom	-	-
Overseas	17,124	14,897
Independent Examiner's fees	-	-
Profit on sale of property	(39,524)	-
	-----	-----

The average number of UK employees in the year was nil (2005 – nil).

NORTHERN EVANGELICAL TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 2006

3. Trustees' remuneration, expenses and other transactions

Other than disclosed below, no remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person known to be connected with any trustee (2005 – Nil).

No reimbursement of expenses has been made to any trustees in respect of the year (2005 – Nil). The Charity paid travel costs taking Mr G. Pountain, a Trustee, to Tanzania to oversee and assist with the work at the Bethany Orphanage. In common with all volunteer helpers, Mr Pountain makes donations to the Charity which, generally, cover the travel expenses.

Mr B. Jackson, a Trustee, is a leader of the Oswaldtwistle Community Church (OCC). The school's work previously undertaken and supervised by the Charity's own staff is now being resourced by OCC. During the year the charity has made a grant of £14,625 (2005 - £12,919) towards the employment costs incurred by OCC in respect of school's work.

Included within other creditors is a loan of £3,000 (2005 - £3,000) from Mr G. Pountain to the charity.

4. Fixed assets for use by the charity

	Leasehold property	Mission Tent	Equipment and vehicles	Total
Cost	£	£	£	£
At 1st April 2005	79,000	16,205	89,202	184,407
Additions	-	-	3,721	3,721
Disposals	(79,000)	-	(838)	(79,838)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2006	-	16,205	92,085	108,290
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st April 2005	11,900	8,956	53,233	74,089
Charge for the year	-	510	10,181	10,691
Disposals	(11,900)	-	(490)	(12,390)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2006	-	9,466	62,924	72,390
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31st March 2006	-	6,739	29,161	35,900
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2005	67,000	7,249	35,969	110,318
	<hr/>	<hr/>	<hr/>	<hr/>

The costs of the construction of the orphanage in Tanzania have not been capitalised. The land upon which the orphanage has been built is not owned by the charity and the Trustees have been unable to secure any legal documentation transferring title of the property to the charity.

NORTHERN EVANGELICAL TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MARCH 2006

5. Analysis of Net Assets by Fund

	General Purposes Fund £	Bethany Orphanage Fund £	Total £
Fixed assets	9,314	26,586	35,900
Current assets	97,029	59,713	156,742
Liabilities: amounts falling due within one year	(2,270)	(5,493)	(7,763)
Fund balance	<u>104,073</u> =====	<u>80,806</u> =====	<u>184,879</u> =====

Donations and gifts are given specifically to the Bethany Orphanage Fund. Separate bank accounts have been established for the purpose of ensuring all funds are correctly deposited and administered. The Bethany project is registered in Tanzania as an International Society.